

## TEICH GROH

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September 29, 2010

Honorable Michael B. Kaplan  
United States Bankruptcy Court  
402 East State Street  
Trenton, New Jersey 08608

**RE: ETHAN H, LLC**  
**CASE NO: 10-15436-MBK**  
**U.S. TRUSTEE'S MOTION TO CONVERT**  
**RETURNABLE: OCTOBER 4, 2010 AT 11:00 A.M.**

Dear Judge Kaplan:

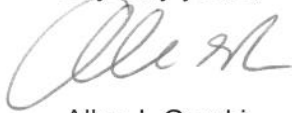
Our firm represents the Debtor. Please accept this letter as the debtor's response to the U.S. Trustee's Motion to Convert. My client advises that quarterly fees have been paid through the second quarter of 2010. Monthly Operating Reports from July and August of 2010 are being prepared and should be filed prior to the hearing.

The landlord has scheduled an eviction of the debtor for October 6, 2010. Your Honor is familiar with the contentious relationship between the debtor and the landlord. I incorporate by reference the debtor's pleadings previously filed in connection with the Motions to Vacate the Stay and Certifications of Default. There is still a prospective sale to Mr. Camerer and Mr. Beni. We previously provided the Court with documents showing the purchasers have the financial wherewithal to consummate this transaction from their UBS account with over a half a million dollars in the account. We also previously provided the Court with a "Preliminary Agreement Prior to Preparation and Execution of Final Contract" (attached as Exhibit B to the Certification in Support of Motion to Reconsider – Document #105). The prospective purchasers are now willing to assume responsibility for the entire leased space and not merely the 2/3rds of the club constituting the bar and billiard hall. Mr. Seltzer is actively working on an amended draft of the Preliminary Agreement Prior to Preparation and Execution of Final Contract that incorporates the material change regarding the buyer's assumption of the entire real estate obligation. Additionally, the debtor has received a \$75,000.00 deposit from the prospective purchasers and these funds are still available to pay the August and September rent. The offer to pay the rent for August and September was refused on the record on September 15, 2010 by the landlord.

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Mr. Seltzer advises that he is attempting to arrange a meeting between the landlord and the prospective purchaser to discuss a Contract of Sale and the Lease. The Debtor is hopeful that arrangements can be made to stop the eviction on October 6, 2010 and a separate Motion can be filed to permit the sale to go forward.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Allen I. Gorski', written in a cursive style.

Allen I. Gorski

AIG/cia  
CC: Office of the U.S. Trustee  
Attn: Fran B. Steele (via ECF)  
Darin Pinto, Esquire (via ECF)  
David Edelberg, Esquire (via ECF)  
Hal Seltzer (via fax)  
Kevin Seltzer (via fax)